

## **COBURN AMENDMENT 632: ENCOURAGE INCREASED USE OF FEDERAL STRATEGIC SOURCING INITIATIVE**

**This amendment would amend the government reform DNR to incentivize federal agencies to utilize the Federal Strategic Sourcing Initiative for procurement for savings worth as much as \$50 billion a year.**

- The federal government spends over \$537 billion on products and services every year. Agencies could group together to get better deals on goods.
- In 2005, OMB created the Federal Strategic Sourcing Initiative to leverage orders from multiple agencies on the same goods to achieve savings through better prices.
- Agencies rarely use the program, according to GAO. As a result, agencies are missing opportunities for big savings, overpaying at least \$1 billion and as much as \$50 billion annually.
- DOD, which purchases over \$300 billion in goods and services annually, used the program for just 6 percent of orders. Department of Homeland Security used it for just 20 percent of its orders.
- “Agencies act more like many unrelated medium-sized business and often rely on hundreds of separate contracts for many commonly used items, with price that vary widely,” GAO found.
- Best practices in industry allowed companies to achieve savings of 10 to 20 percent of their total procurement costs. Ten percent savings on all federal procurement would yield over \$50 billion annually.